

## Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

**Approved**

**January 22, 2013**

Attendees: Jim Pinkerton, *Regence*; John Malamphy (proxy for John Borer), *PEHP*; Dave Jackson, *FirstWest Benefit Solutions*; Tomasz Serbinowski, *UID*; Nancy Askerlund, *UID*; Jim Murray, *SelectHealth*; Perri Babalis, *Utah Attorney General*; Norm Thurston, *Governor's Office*; Patty Conner, *OCHS*; Sue Watson, *OCHS*; Jill Goodmansen, *OCHS*; Russ Johnston, *FirstWest Benefit Solutions*; Gabriela Benitez, *GBS Benefits*; Lincoln Neehring, *Voices*; Lucien Morin, *Magellan*; Scott Lopez, *Magellan*

Kim Miller, *UHC* (via telephone); Lorraine Mayne, *Milliman* (via telephone); Ann Ibrahim, *Regence* (via telephone)

- I. Meeting called to order at 1:03 p.m.
- II. November 27<sup>th</sup> meeting minutes approved. December 18<sup>th</sup> meeting minutes approved with corrections noted.
- III. Patty Conner from OCHS gave an update regarding the Exchange – Dashboard information handed out can also be found at [www.Avenueh.com](http://www.Avenueh.com).
  - a. Exchange Statistics
    - i. Currently have 335 employer groups, 2,840 employees and total covered lives is over 8000
    - ii. 92.1% of groups are renewing on Avenue H.
    - iii. Started tracking the prior coverage statistics as of 1/1/13. 73% of groups did not have prior cover prior to joining Avenue H.
    - iv. Continue the trend of reaching out to groups that do not have current group coverage.
    - v. Not seeing a lot of groups coming in with a \$0 amount contribution. Patty went over reasons for groups contributing certain amounts including \$0 contribution.
  - b. 10% Audit Check
    - i. Employees dropping coverage during the enrollment period. This includes employees looking at rates or dependents being removed. Rates for the group could be updated due to this change in elections. Carriers all agreed to a 10% change would be sent back for review. This is for enrollment numbers (to the bellybutton level). Talking to the brokers, this is done in the traditional market and is handled differently in the traditional market. Employees in the traditional market are enrolling in the same month they are effective. On AvenueH this process is different to get payments to the carriers and brokers on time. For January, 6 groups we needed to get new rates for. The premiums changed for 4 of the 6 groups that went through the 10% audit. In doing this the first month, the processes changed as it was very long process. Rates for all groups came back to about a week after their effective date. The group did not have a chance to make a decision and felt stuck with AvenueH. Sue has done some retrospective with the carriers to

get the rates back to the groups quickly. Also caused problems with invoices and getting them out on time. Wanted to report the start of this process was not successful. Ann with Regence stated carriers returned adjusted rates after the effective date, but in one case Regence returned the rates prior to the effective rates. All carriers did not return the rates in time, therefore were not provided to the groups until after the effective date. Suggestion is to watch this process through the next couple of months. If problems come up, bring up in the underwriting subcommittee group. (Gabriela) New hires are easier to know if they want to enroll or waive because they already know the rates. OCHS has spent a lot of the time to get a pre-look tool. Talked with brokers and carriers for ideas, but have not come up with a solution unless the base rates are shared. Group risk factor has a big impact on the rates.

- c. Participation in small group business beginning 2014
  - i. A lot of people are expected to opt into the individual coverage. Wanted to see if carriers would consider if an employee opts to the UHE with APTC, to see if those would be a valid waiver and not count against participation of the small group. Groups under 50 do not get a penalty if employees go to individual market. May opt to Medicaid or APTC. This is a way to keep small business viable on Avenue H. Nothing on the federal exchange to prevent this process. The employer would not contribute to the benefits as they are post-tax. Issue will be worked on over the next few months. Does this belong in the Exchange or in the DOI? Topic was given to RAPA to discuss.

#### IV. John Malamphy (Proxy for John Borer) with PEHP

- a. Risk Adjustment & Premium Allocation subcommittee report
  - i. Put together hand out for current renewal process. Carriers would send to PEHP the sub-group information by member information with IRF and common GRF and proposed risk factor. PEHP would roll up and distribute the consolidated risk factor. The final risk factors would be distributed to eHealthApp and bswift. Any discussions would be made during the subcommittee meeting. Gives the estimated common risk factor. Starting July 2013 will be estimated for carriers on an individual carrier level. Not a common GRF anymore. This process is an interim until the group would go through renewal. John Borer sent out attachment regarding process at Risk Adjustment Board meeting. Sue Watson wants to make sure the protocol at PEHP is secure and is in compliance for the new July process. PEHP will come up with 3 separate GRF's for the carriers as well as the combined. Tomasz proposed carriers just providing updated IRFs instead of PEHP getting involved. PEHP is a controlled point still stated Jim Murray. **Dave moved to set the RAPA's recommendation on the updated renewal process effective July 1, 2013 until no longer applicable. Jim Murray seconds motion. Motion passes unanimously.**

#### V. Kim Miller with United HealthCare

- a. Underwriting Subcommittee Report

- i. Still working on open issues. 30 May renewals for sign off by end of the month.

VI. Jim Murray with SelectHealth

a. Legal Subcommittee

- i. No update on legal work group, but still working on other issues.

VII. Insurance Department

a. No Update.

VIII. Other – Lincoln Neehring - Stop loss coverage. Groups being self insured for the 2-50 employees. Try to get more information and what the impact of this will be in the work group or task force. Still being reviewed by the DOI.

IX. Next Meeting will be February 26, 2012 at 1:00 pm

X. Meeting adjourned at 2:16 p.m.